



What keeps me up at night?

By James P. Hamlett

Over the past nine months I have received many communications by phone, letter, e-mail and in person asking about the financial health of the Pension Fund. This was no surprise. For most of us, this recession and market collapse is the most severe in our lifetime. And, for many ministers and lay employees of the Christian Church (Disciples of Christ), the Pension Fund is responsible for a large share of their retirement income and savings.

Often during the course of the communication, participants have indicated that they are praying for me and my colleagues. A few weeks ago I returned from an out of town meeting to find a voice message quite unlike any I had received before. It was from a pastor who serves a congregation in a small mid-western community. The familiar voice said, "Jim, I know you and your staff are faithfully managing the Pension Fund's investments and are doing everything possible to protect our pensions. I just want you to know that I am praying for your health and well-being and that God will grant you a peaceful heart in the midst of economic turmoil."

Without question, my colleagues and I have been strengthened and have felt supported by your prayers and good wishes, especially in these severe economic times. As reported previously, we have taken steps to protect liquidity and reduce risk where appropriate. Although the market value of assets



declined significantly in 2008 and first two months of this year, as of April 30, asset values have recovered to the point that a slight increase has been achieved year to date. Signs of economic recovery continue to emerge. Although I expect that the recovery will be rocky and fairly slow, I am confident that the economy will show substantial improvements later this year.

The other day as I was talking with a group of retired ministers, one asked me, "If you feel the Pension Fund has weathered the financial crises and you are so bullish about the future, what keeps you up at night?" Quite an interesting question! I was not certain whether he had some inside knowledge of my sleep habits or I appeared to be in need of rest. But since I was feeling really well that day, I had to step back and think about what he really was asking.

What keeps me up at night, or more accurately stated, what I am most concerned about today is a disturbing and growing trend among congregations and church employers to trim budgets by reducing their contribution to Pension Plan dues. Such actions are not unusual in business and industry today! Businesses have been shifting the burden of risk to employees by converting from defined benefit plans to 401k's for some years, while

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Pension Fund Bulletin

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Since the March *Pension Fund Bulletin*, changes as follows:

Retirements Pensions Began

F D Barton, Madison AL	April 1, 2009
Loretta J Bowling, Lexington KY	March 1, 2009
Leroy Bryant, Sherwood AR	March 1, 2009
William R Burkley, Brooklyn IN	March 1, 2009
John D Call, Duncanville TX	March 1, 2009
Christine M Carpenter, Lebanon OR	April 1, 2009
John P Clark, Clarinda IA	February 1, 2009
Lynn E Crenshaw, Des Moines IA	March 1, 2009
James C Dean, Eugene OR	April 1, 2009
Thomas E Dillwith, Hutchinson KS	March 1, 2009
Leigh C Earley, Oklahoma City OK	March 1, 2009
Linda Lou Evans, Edmond OK	March 1, 2009
Jon L Ford, Palmetto FL	April 1, 2009
Vance C Ginther, Citrus Heights CA	March 1, 2009
Carroll T Givens, Daniels WV	February 1, 2009
James S Hagadone, Coppell TX	March 1, 2009
Thomas B Henderson, Irvine KY	April 1, 2009
Raymond Delbert Hill, Lohrville IA	March 15, 2009
Cathy J Hopkins, Brea CA	March 1, 2009
James C Hudson, Ft Worth TX	April 1, 2009
Carol S Hume, Indianapolis IN	March 1, 2009
Terry W Immel, Wauconda IL	February 1, 2009
Faye Napier Ligon, Franklin TN	March 1, 2009
Richard H Linn, Portland TX	February 1, 2009
Faye H Martin, Indianapolis IN	March 1, 2009

Russell T McClanahan III, Tallahassee FL	March 1, 2009
Linda Ann McMillen, Dighton KS	February 1, 2009
Duane C McNeill, Enid OK	April 1, 2009
Connie J Metts, Greenwood IN	February 1, 2009
Deborah C Michael, Memphis TN	March 10, 2009
Elizabeth J Myers, Eureka IL	February 1, 2009
Jimmy D Phillips, Marlin TX	March 1, 2009
Tommye L Pollard, Lenoir City TN	February 1, 2009
Gladys H Runnels, Baton Rouge LA	February 1, 2009
James D Scholer, Champaign IL	March 1, 2009
Sharon G Stribling, Indianapolis IN	March 15, 2009
Carol J Swarrington, Imperial MO	March 1, 2009
Carol C Taylor, Portland OR	March 1, 2009
Janet L Timberlake, Lexington KY	April 1, 2009
James R Torbert Sr, Johns Creek GA	March 1, 2009
James Dennis Williams, Mesa AZ	April 1, 2009
Lola M Wolfe, Shelbyville IN	February 1, 2009
Pamela D Wong, Scottsdale AZ	February 1, 2009
James O York, Hillsboro OR	February 1, 2009
Sam K Young, Huntington IN	February 1, 2009

Spouse Pensions Began

Bettie Jean Arthur, Middletown OH	April 1, 2009
Rebecca Barnett, Greensboro NC	March 1, 2009
Lorena Beard, Kansas City MO	March 1, 2009
Dorothy L Brooks, Madison IN	April 1, 2009
Donna M Burkhardt, Lincoln NE	April 1, 2009
Jane Calcott, San Antonio TX	February 15, 2009
Sondra Craft, Decorah IA	February 1, 2009
Lillian Fox, Peru IN	April 1, 2009
Linda C Fuller, Americus GA	March 1, 2009
Pearl F Haas, Fort Collins CO	March 1, 2009
Phyllis Hart, Kennewick WA	March 1, 2009
Linda Hennick, Exira IA	April 1, 2009
Emma J Horner, Shelbyville IN	April 1, 2009
Katherine T Hutchings, Jacksonville IL	April 1, 2009
Carol M Isbell, Hilltop Lakes TX	February 1, 2009
Brenda Jones, Memphis TN	February 1, 2009
Madelyn Logan, Ashland VA	March 1, 2009
Sue R McKnight, Jackson MS	March 1, 2009
Arthur McLennan, Windsor MO	April 1, 2009
Anita C Meyer, Prescott Valley AZ	March 1, 2009
Frances Moore, Springfield OR	March 1, 2009
Elizabeth Anne Olsen, Fort Worth TX	April 1, 2009
Mary Pelton, Franklin IN	March 1, 2009
Doris E Rice, Saint Louis MO	February 1, 2009
Karen Schaffenburg, Pueblo CO	April 1, 2009
Terry D Smith, Jacksonville IL	April 1, 2009
Richard L Walker, Maryland Hts MO	March 1, 2009
Joyce B Wiley, Allen TX	March 1, 2009

Deaths in Active Service

Robert D Chandler, Bryan TX	April 10, 2009
Larry S Gehlken, Kansas City MO	March 24, 2009
Robert Hennick, Exira IA	March 22, 2009

Deaths in Retirement

William Andrew Arthur, Middletown OH	March 18, 2009
Tesola K Baker, Plano TX	March 8, 2009
H D Barnett, Greensboro NC	February 16, 2009
James G Beahan, Hannibal MO	December 24, 2008
Robert M Beard, Plano TX	February 28, 2009
Kathleen H Bergman, Calgary AB	February 2, 2009
A F Brooks, Madison IN	March 6, 2009

Carl A Burkhardt Jr, Lincoln NE	March 8, 2009
Ruth A Bussell, Olathe KS	April 11, 2009
Audrey J Calhoun, New York NY	April 6, 2009
Myrtle T Dawson, Creston IA	February 5, 2009
Jean G English, Atlanta GA	March 22, 2009
Richard K Fox, Peru IN	March 6, 2009
Millard D Fuller, Americus GA	February 2, 2009
Roger Haas, Fort Collins CO	February 9, 2009
Kenneth Edgar Harris, North Platte NE	April 20, 2009
Jack L Hart, Kennewick WA	February 17, 2009
Janette L Hoagland, Columbia MO	March 16, 2009
Mae Hootman, Stevens Point WI	April 21, 2009
James H Horner, Shelbyville IN	March 13, 2009
Sallie W Hunt, Gainesville TX	June 4, 2007
Keith T Hutchings, Jacksonville IL	March 13, 2009
Charles L Isbell, Hilltop Lakes TX	January 20, 2009
Betty D Knox, Austin TX	May 28, 2008
Patrick Henry Logan, Ashland VA	February 3, 2009
Eleanor L Malia, New London MO	February 25, 2009
Louise W McConnell, Lees Summit MO	March 14, 2009
Allis May McDannel, Carlisle IA	March 3, 2009
William E McKnight, Jackson MS	February 10, 2009
N J McLennan, Windsor MO	March 15, 2009
Donald F Meyer, Prescott Valley AZ	February 2, 2009
Donald E Mitchell, Indianapolis IN	April 28, 2009
Earl J Moore, Springfield OR	February 1, 2009
Robert A Olsen Jr, Fort Worth TX	March 1, 2009
John F Pelton, Franklin IN	February 14, 2009
Hermine F Pilcher, Glen Carbon IL	January 25, 2009
Rebecca M Ramsey, Griffin GA	February 6, 2009
Dorothy E Robertson, Ann Arbor MI	March 30, 2009
Milton H Rogerson, Wilson NC	April 14, 2009
Fernando Schaffenburg, Pueblo CO	March 6, 2009
Kenneth W Scovill, Los Osos CA	April 3, 2009
Edith M Smith, Jacksonville IL	March 21, 2009
Billy H Starnes, Cleburne TX	February 22, 2009
Jack T Vaughn, Pittsburg KS	February 15, 2009
Margaret J Walker, Maryland Hts MO	February 2, 2009
James West Jr, Newton KS	April 4, 2009
Veneta F Whitmer, Wagoner OK	February 27, 2009
George E Wiley, Asuncion	February 7, 2009
L B Yates, Beaverton OR	January 30, 2009
Leota Yerian, Topeka KS	December 4, 2007

Others Deaths

William B Atkins Jr, Fort Worth TX	January 2, 2009
Letha A Bash, Shawnee Mission KS	February 11, 2009
Ruth L Bradley, Spokane WA	April 27, 2009
Ruth M Brown, Elk City OK	February 26, 2009
Ruth H Bruce, Kirkfield ON	March 14, 2009
Jerry V Calcott, San Antonio TX	February 15, 2009
Doris Evelyn Campbell, Fredericksburg VA	April 20, 2009
Dorothy J Goodman, Dallas TX	February 27, 2009
Imogene Hays, Arlington TX	February 16, 2009
Richard B Jones, Memphis TN	January 30, 2009
Dorothea S Lemon, Claremont CA	April 2, 2009
Adeline V Robinson, Abilene TX	February 19, 2009
Marian Sperling, Wakefield KS	March 8, 2009
Elizabeth D Stocke, La Crescenta CA	March 8, 2009
Edna V Thomas, Dallas GA	February 19, 2009
Leonebell Torrence, Port Orchard WA	February 26, 2009
Dorothy L Tull, Jonesboro AR	January 18, 2009
Ruth A Turner, Salem OR	March 2, 2009
Mary Wiegmann, Heathsville VA	February 10, 2009
Margaret Woodruff, Spring TX	February 16, 2009

Annuity Began

Richard L Gorsuch, Altadena CA



Pension Fund Events at the Indianapolis General Assembly July 29 - August 2, 2009

Friday - July 31, 2009	Presidents' Breakfast for Retired Ministers and Missionaries at 7:00 a.m. at the Indianapolis Marriott (Ballrooms 5 & 6). This breakfast is for Pension Fund Retired Ministers, Missionaries and their mates (by invitation only).
Friday - July 31, 2009	Pension Fund Town Meetings - You've got questions... we've got answers. Join the Pension Fund Staff & Board for a Town Meeting addressing your questions and concerns - Convention Center, Room 110. Two town meeting times - 2:00 - 3:00 p.m. and 3:00 - 4:00 p.m.
Saturday - August 1, 2009	Ministers and Mates Breakfast at 7:00 a.m. at the Indianapolis Marriott (Marriott Ballroom). Speaker Rev. William Lee. Tickets are \$5.00 person and can be purchased on line at: www.disciples.org/ga , or at the Convention Center Ticket Booth.
Saturday - August 1, 2009	13th Check Offering for Ministerial Relief and Assistance - Saturday Evening Worship at 7:30 p.m. at the Convention Center. Offering envelopes will be available at the service & the Pension Fund Booth.

Investment Questions & Answers

By Richard Cohee

Question: *How is the fund performing so far in 2009? What are the prospects going forward?*

Answer: The first four months of 2009 have been interesting to observe. Both January and February were down (-5.82% and - 5.64%, respectively), but both March and April rebounded nicely (+5.02% and +6.33%, respectively). So, after four months, the fund's total-rate-of-return was -0.77%, or less than one percent from where we ended 2008. At least through the middle of the month, May is providing positive returns in the capital markets so we are most probably now at or above the 2008 year-end valuation levels.



What the next few months hold in store, no one knows of course, but the tone of the markets (especially the equity markets) seems to have definitely turned for the better. Recently the markets have chosen to focus more on the emerging pockets of positive news rather than dwelling on the lagging sectors of the economy which continue to produce negative news. We will surely continue to read stories of companies

going bankrupt and the ongoing struggles of some well known financial institutions, but it appears to us that the measures taken by the Federal Reserve and US Treasury have taken hold and will help stabilize our economy and hopefully shorten the duration of this recession. We continue to work with our investment managers (now 23) in designing and creating sound portfolios that will produce steady and reliable returns over market cycles without taking undue risk in the process.

Question: *Not much has been said recently about the social witness of the Pension Fund. Does it have a written policy to follow and who is responsible for its implementation?*

Answer: The Pension Fund continues its long history of social awareness and advocacy for change. Yes, there is indeed a written policy which directs the Board of Directors and its Financial Affairs Committee. As fund managers and fiduciaries, the Board feels strongly the obligation to exercise ownership rights as enlightened citizens and

concerned Christians. It accomplishes this objective primarily through its relationship with the Interfaith Center on Corporate Responsibility (ICCR). In the nearly 40 years since the Episcopal Church filed the first religious shareholder resolution, the corporate responsibility movement has grown to include not only religious investors, but unions, foundations, universities, investment firms, and pension funds. The proxy resolution is an important means by which ICCR members (more than 275 Protestant, Catholic and Jewish institutional investors) bring issues of social significance before corporations. This Spring, there were over 274 resolutions on a variety of issues presented at various annual shareholder meetings. All proxies received at the Pension Fund are reviewed and signed by the Treasurer. In addition to preparing and filing resolutions, approximately half of ICCR staff time is devoted to direct discussions with senior management of corporations. Such conversations are sensitive, often confidential, and an ongoing part of member activity.

Question: *Have there been any recent changes in investment or treasury staff?*

Answer: Yes, Mrs. Toni Simos has joined our staff as General Ledger Accountant. Toni has a BS degree in Actuarial Science from Ball State University and we are very pleased to have her on our accounting staff. Toni replaces Miss Dortha C. May who retired May 1, 2009, having served for 30 years in that role. We are grateful for both of these dedicated Pension Fund employees.



Toni Simos



Dortha C. May

(Continued from Page 1)

at the same time reducing the level of their contribution. But whereas commercial employers focus upon their "bottom line" and really have little concern about the long term impact upon their employees, within the church, we do profess our concern for the well-being of our clergy and lay employees and their families for the sacrifices they make serving the church. The negative impact of reducing Pension Plan contributions is immediate and long lasting.

Some employers have reduced the percentage of compensation they contribute to Pension dues. Because the Plan design calls for 14% contribution, the response is to adjust the salary on which dues are calculated to equal the contribution. The impact can be an immediate reduction in available benefits in the event of disability or death in active service. The longer term impact is a reduction in future pension benefits. The latter implies that the pastor will retire with a much lower pension than would otherwise occur.

Other employers have required a move to member only dues of 6%. While death and disability benefits are preserved, the growth in future pensions may be reduced by as much as 75%. Unless the pastor or church employee has other retirement savings, such action could result in poverty in retirement.

Still others have simply discontinued participating, feeling that the congregation or church employer can no longer take on any responsibility for their pastor or employees with respect to retirement savings or benefits. The impact is immediate. All disability and death in active service benefits are lost and Pension Benefits are frozen, except for the potential of future Special Apportionments.

There is no question that Pension Plan dues, defined as 14% of compensation (salary, parsonage and social security offset), represent a significant budget item. That was equally true in 1931, in the

depths of the Great Depression, when the Pension Plan as we know it was launched with broad participation. Congregations then understood and committed to the long term care and wellbeing of clergy and their families, feeling that to do so collectively would reduce the potential burden of any one congregation supporting a pastoral family in a time of economic hardship due to a catastrophic life event.

What keeps me up at night is the concern that a growing number of clergy now serving will reach retirement age with inadequate financial resources. What keeps me up at night is our apparent lack of effectiveness in helping congregations and church employers understand the importance of their long term commitment to the financial wellbeing of those who serve the church so faithfully. What keeps me up at night is the concern that the need for Ministerial Relief resources will grow exponentially as the impact of reduced church employer commitment plays out for pastors in

"What keeps me up at night is not the Pension Fund's ability to manage resources for the benefit of those served, but the commitment of congregations and church employees to exercise concern for their pastoral leaders and the foresight to provide the resources that can assure financial well-being at crucial times in their lives."

future years. In a tight economy, where would we find such resources? What keeps me up at night is not the Pension Fund's ability to manage resources for the benefit of those served, but the commitment of congregations and church employers to exercise concern for their pastoral leaders and the foresight to provide the resources that can assure financial wellbeing at crucial times in their lives.

In difficult times we are often confronted with addressing what really matters. Sometimes the issues are so important that they keep us up at night thinking about possible solutions. This is one of those times. Full participation in the Pension Plan is an issue that really matters.

Pray with me.

The Parable of the Pencil

Author - Unknown



The Pencil Maker took the pencil aside, just before putting it into the box. "There are 5 things you need to know," he told the pencil, "Before I send you out into the world. Always remember them and never forget, and you will become the best pencil you can be."

"One: You will be able to do many great things, but only if you allow yourself to be held in someone's hand."

"Two: You will experience a painful sharpening from time to time, but you'll need it to become a better pencil."

"Three: You will be able to correct any mistakes you might make."

"Four: The most important part of you will always be what's inside."

"And Five: On every surface you are used on, you must leave your mark. No matter what the condition, you must continue to write."

The pencil understood and promised to remember, and went into the box with purpose in its heart.

Now replace the place of the pencil with us. Always remember them and never forget, and we will become the best people we can be.

One: We will be able to do many great things, but only if we allow ourselves to be held in God's

hand. And allow others to access us for the many gifts we possess.

Two: We will experience a painful sharpening from time to time, by going through various problems in life, but we'll need it to become stronger people.

Three: We will be able to correct any mistakes we might make.

Four: The most important part of us will always be what's on the inside.

And Five: On every surface we walk through, we must leave our mark. No matter what the situation, we must continue to do our duties.

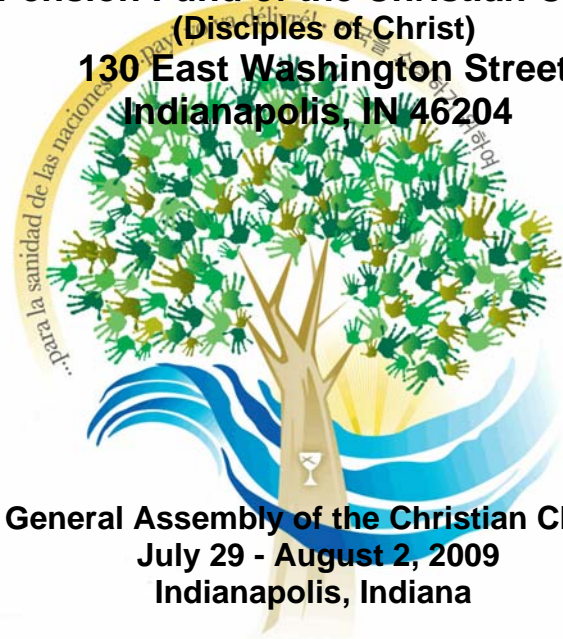
Throughout history the servants of this church have and continue to live by these principles. It is because of them, that we know about and feel God's grace in our lives. May each of us allow this parable on the pencil to encourage us to know that we are a special people and only we can fulfill the purpose to which we were born to accomplish. May we never allow ourselves to get discouraged and think that our lives are insignificant and that we cannot make a change.

The gifts we receive for Ministerial Relief and Assistance allow us to remember so many worthy servants of the Church. On behalf of those assisted by your generosity, we express their sincere appreciation.

We will not forget.

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**General Assembly of the Christian Church
July 29 - August 2, 2009
Indianapolis, Indiana**

A colorful graphic with a red border and yellow stars. It contains the text "Summer Holidays" and "The Pension Fund Office will be closed: Friday July 3, 2009 for the Fourth of July Holiday Monday, September 7, 2009 for the Labor Day Holiday". The graphic is decorated with illustrations of an American flag, a hot dog, a burger, a grill with food, and various kitchen items like a salt shaker and a fork.

Don't Miss Out!

If you would like to receive news, alerts and news releases electronically - we need your e-mail address! You can share your e-mail address with us on the Pension Fund web page at www.pensionfund.org or send us your e-mail address to the address indicated above. Or, you can give us a call at our Toll Free number 866.495.7322 (and 317.634.4504).



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